Poor Response to Indian Stock Market

1749. SHRI DHULESHWAR MEENA: Will the Minister of FINANCE be pleased to state:

(a) Whether Government have examined the report prepared by the leading U.S. Securities Firm, Shearson Lehman Brothers, which predicts poor response from direct foreign investment in the Indian stock market; and

(b) If so, what is Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RA MESHWAR THAKUR): (a) and (b) The report has come to the notice of the Govern ment. Foreign investment in our capital markets, both direct and indirect, depends on a variety of factors and accordingly the inflow would vary from time to time. Government are following a policy of attracting foreign investment in selected areas.

Rate of Inflation

1750. SHRI MENTAY PADMANA-BHAM: Will the Minister of FINANCE be pleased to state :

(a) what is the rate of inflation on a point to point basis during the calendar year 1991;

(b) what is the increase in rate of inflation since 1983; and

(c) what are the reasons identified for this high rate of inflation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) The annual rate of inflation in terms of wholesale price index on a point to point basis since 1983 is given below :

Year	Annual rate of inflation (Per cent
1983	8.2
1984	5.7
1985	4.1
1986	6.3
1987	9.9
1988	5.4
1989	7.8
1990	12.6
1991	14.3

(c) The high rate of inflation during the last two years is mainly attributable to fiscal imbalance resulting in high increase in money supply and a liquidity overhang, sluggish supply response not keeping pace with increase in effective demand, constraints importing desired quantities of essential goods due to the foreign exchange crunch, increase in the oil prices reduction in subsidies to contain fiscal deficits, etc. The uneven progress of monsoon until the end of August, 1991 also generated some inflationary expectations in the economy, exacerbating the pressure on prices.

UCO Banks Collusion with Reliance Industries, Ltd.

1751. SHRIMATI KAMLA SINHA : DR. BAPU KALDATE :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the report appearing in Indian Express of the 1st May, 1992 regarding the dubious role of UCO Bank in colluding with the Reliance Industries Ltd.; and

(b) if so, what are the details thereof and what action is proposed to be taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) The matter is being enquired into by Reserve Bank of India for appropriate action.

Advance to Low Income and Backward Glasses by Slate Bank of Indore

1752. SHRIMATI KAMLA SINHA : Will the Minister of FINANCE be pleased to state :

(a) what are the details of advances financed by the State Bank of Indore, Delhi branches, to the lower income people and to the people belonging to the backward classes under Differential Rate of Interest and other schemes during the last three years, year-wise and branch-wise; and

(b) if no advances have been financed, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) Bank loans are sanctioned to the low income group people whose family income from all sources does not exceed Rs' 7,200 per annum in the urban areas under Differential Rate of Interest (DRI) Scheme and Self-employment Programme for Urban poor (SEPUP). The details of the advances by the branches of State Bank of Indore at Delhi, granted under the above schemes during the last three years i.e., 1989-90. 1990-91 and 1991-92 are as under:—

(Amount Rs. in lakhs)

Year	Branches	DRI		SEPUP		Total	
		No.	Amount	No.	Amount	No.	Amount
1989-90	Chandni Chowk	—	—	5	0.20	5	0.20
	Greater Kailash	3	0.18	1	0.02	4	0.20
	Janakpuri	1	0.03	7	0.33	8	0.36
	Green Park	1	0.07	9	0.21	10	0.28
	Connaught Circus	2	0.02	9	0.32	11	0.34
1990-91	Chandni Chowk	—	—	1	0.04	1	0.04
	Janakpuri	1	0.04	—	—	1	0.04
	Connaught Circus	2	0.04	2	0.09	4	0.13
1991-92	Rajouri Garden	3	0.06	—	—	3	0.06

The banks sanction loans under various schemes to the beneficiaries, who are eligible under these schemes, keeping in view the viability of the ventures undertaken.

Appointment of American Experts for Economic Restructure

1753. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to appoint American experts to restructure our economic policy; and

(b) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) No, Sir.

(b) Does not arise.

Utilisation of External Assistance

1754. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that more than 60 per cent of India's external assistance is used for repayment of external loans and interest payments;